Hillsborough Township Public Schools

Central Administration Performance Pay System – Straw Design

The performance pay system determines the annual raises for the Central Administrative staff as well as the Superintendent.

The performance pay system consists of 3 major elements

1. **Professional Learning Goals** – 1 to 4 annual goals established for each individual. The number and attributes of these goals should be determined collaboratively by the Supervisor and the employee. Goals might include such items as finishing an advanced degree, gaining a valuable certification, earning an award from an outside entity, mastering a skill or knowledge important to the organization, or presenting at state or national conferences. The number of goals determines the calculation where 4 goals earn .25% each, 3 goals earn .33% each, and so on. Goals should be structured initially to be measurable and be able to be evaluated in a “met/not met” sense. The professional judgment of the evaluator along with some third party oversight should be used to determine if the goal was met or not. This component accounts for 0-1% of the annual raise.
2. **Individual Evaluation** - Once a valid and reliable evaluation system is in place that honestly and effectively measures the various levels of performance (from unacceptable, to professional, to exceptional with points in between) the evaluation can be used to determine a portion of the employee’s raise. An unacceptable determination might result in no increase; Needs Improvement earns 1%; Professional earns 2%; High Performing earns 3%; and Exceptional earns 4%. Thus, this component accounts for 0-4% of the employee’s annual raise.
3. **Student Assessment Results –** Value-added results for the district in grades 3-10 for reading and math can be used to determine the relative assessment progress of the district and the Central Administration can have their salaries increased according to these results. Value-added results typically are available at the student, teacher, school, and per test levels. The results are typically classified into “Below” expectations of growth, “Not Distinguishably Different” from expectations of growth, and “Above” expectations of growth. If the district looked at Reading and Math results in grades 3-10, that would be a total of 16 assessments. For each assessment resulting in an “Above” aggregate scoring the employee earns a .125% increase. For each assessment resulting in a “NDD” aggregate scoring the employee earns a .0626% increase. For each assessment resulting a “Below” aggregate scoring, the employee earns nothing. This component accounts for 0-2% of the employee’s annual raise.

**An Example**

Let’s take the curious case of the district’s Assistant Superintendent for Human Resources and have some fun with it.

**Professional Learning Goals**

At Scott’s annual performance review of 2009-10, he and Ed determine 3 goals for Scott in the upcoming school year. These are:

1. Complete his doctorate from Seton Hall University. This means “complete” not ABD, or some other “almost made it” level.
2. Earn his Society of Human Resource Managers certification. This certification requires completing numerous professional development courses and is considered the standard HR professionals should aspire to.
3. Present at a regional or national conference on using Value-Added data in a performance pay system.

A year comes and goes and at the end of the 2010-11 school year, Ed and Scott sit down again and review these goals. Scott did finish his degree from Seton Hall and did manage to do a presentation at a regional conference. However, he did not get through his SHRM certification process. So, Scott earned .33% for each goal he completed totaling a .66% raise for him for the next year.

**Evaluation**

Through the new evaluation system established by the district, Ed reviews Scott’s performance and gives him an overall rating of “Professional” which earns him a 2% increase.

**Student Achievement**

Of the district’s 16 tests in Reading and Math, the breakdown of the results at the end of the 2010-11 school year turns out like this…

|  |  |  |  |
| --- | --- | --- | --- |
| Grade | Subject | Result | Increase |
| 3 | Reading | NDD | 0.0626 |
| 3 | Math | Above | 0.125 |
| 4 | Reading | Above | 0.125 |
| 4 | Math | Above | 0.125 |
| 5 | Reading | NDD | 0.0626 |
| 5 | Math | Above | 0.125 |
| 6 | Reading | NDD | 0.0626 |
| 6 | Math | NDD | 0.0626 |
| 7 | Reading | Below | 0 |
| 7 | Math | Above | 0.125 |
| 8 | Reading | Above | 0.125 |
| 8 | Math | Below | 0 |
| 9 | Reading | Above | 0.125 |
| 9 | Math | Below | 0 |
| 10 | Reading | NDD | 0.0626 |
| 10 | Math | NDD | 0.0626 |
|  |  | TOTAL | 1.2506 |

These assessment results would earn Scott another 1.25% in raise for the next year.

**Putting it All Together**

In sum, Scott earns…

|  |  |  |
| --- | --- | --- |
|  | Percent | Dollar Amount |
| Professional Learning | 0.66% | $858.00 |
| Evaluation | 2.00% | $2,600.00 |
| Student Achievement | 1.25% | $1,625.78 |
| Total | 3.91% | $5,083.78 |
|  |  |  |
| Old Salary | $130,000 |  |
| New Salary | $135,083.78 |  |